

**Small Business Advocacy Council
Tuesday, January 28, 2014
8:30 – 10:00AM**

**Commerce RI
Narragansett Conference Room
315 Iron Horse Way, Providence, RI**

MINUTES

Attendance

Lieutenant Governor Elizabeth H. Roberts
Secretary of State Ralph A. Mollis
Commerce RI Executive Director Marcel Valois
Department of Labor and Training Director Charles J. Fogarty
Mark Hayward
J.R. Pagliarini
Jerri Moon Cantone
Cap Willey
Mark Deion
Gary Ezovski
Ron Caniglia
Miriam Ross
Bill McCourt
Sue Chomka
Fernanda Casimiro
James Petell
Adriana Dawson
Deedee Chatham
Nancy Scarduzio
Janet Raymond
Robert Kalaskowski
Claudia Cornejo
Claudia Cardozo
Maureen Ewing
Chris Barnett
David Lucier
Lenetter Boisselle
Sherri Carrera
Kelly Carello
Maria Tocco
Vlad Ibarra

I. Opening Remarks *Lieutenant Governor Roberts*

Lieutenant Governor Roberts opened the meeting discussing two major initiatives that took place last week to continue addressing workforce development issues in the state. The first was the Rhode Island Senate, unveiling their legislative action plan, called “*Rhode to Work*.” The effort will promote job opportunities to better prepare Rhode Island unemployed workers for jobs and new workers for the demands of a modern economy. The second initiative was the Rhode Island Foundation and Commerce RI release of the recommendations from *Make It Happen 2.0* announcing a new economic action agenda developed in partnership with hundreds of business leaders and community members. Lieutenant Governor asked Commerce RI Executive Director Valois to further elaborate on the Make It Happen 2.0 event.

Director Valois discussed how more than 200 business leaders and stakeholders participated in different sessions to identify unique market opportunities at the intersection of industries. With the ultimate goal to inform the “RhodeMap RI” process and to produce an economic development plan for the state by October of this year. The plan centered around five themes including: 1) Increasing impact of competitive advantages, 2) Promoting emerging opportunities, 3) Supporting intersections and connectivity, 4) Building capacity and the business ecosystem, and 5) Supporting the Talent Pipeline.

Lieutenant Governor Roberts opened the floor to Secretary of State Mollis who discussed some of the workshops offered by his Office to help start up and existing business. He invited the membership to hold the date for the We Mean Business Expo in September 3rd at the Rhode Island Convention Center from 9-3 p.m. with free parking.

Lastly, Lieutenant Governor Roberts announced the departure of Leslie Taito as the Director of Regulatory Reform under the Office of Management and Budget at the Department of Administration. Lieutenant Governor Roberts thank Ms. Taito for her arduous work and for setting up the regulatory infrastructure to move the state forward. She wished her the best in her future endeavors. The current Small Business Ombudsman, Ms. Scarduzio will be the lead for regulatory inquiries for now. She can be contacted at (401) 574-8426 and/or via email at Nancy.Scarduzio@omb.ri.gov

II. Approval of Minutes

The minutes from December 3rd were unanimously approved.

III. TTDI/Temporary Caregiver Insurance Update Director Fogarty

DLT Director Charles J.

Rhode Island Department of Labor & Training (DLT) Charles J. Fogarty provided an overview of the recent changes to Temporary Disability Insurance program (TDI) and the growing concern from the business community raised at the Small Business Administration Summit and the SBAC meeting in December.

He began with a brief historical perspective of TDI such as that Rhode Island was the first state to enact the program in 1942. There are three options to access the program either, applying online at www.dlt.ri.gov/tdi, downloading the application from the website and mail to TDI or request an application by phone.

Some TDI highlights are that the program is entirely funded by employee contributions with the following breakdown:

- 1.2% of taxable wage base of \$62,700
- 2013, maximum contribution = \$736
- 2013, average contribution = \$551
 - Claimants may collect for up to a maximum of 30 weeks during a benefit year

The program utilizes industry standard medical duration guidelines software to support disability durations. DLT employs two registered nurses and a consulting physician to monitor cases for the purpose of maintaining program integrity.

The TDI staff work closely with Department of Health and Bureau of Audits regarding frequent multiple claim trends and excessive medical durations. Moreover, routinely refer cases to the DLT- UI/TDI Fraud Unit when issues arise that are believed to have resulted from fraudulent activities. The anonymous fraud hotline: (401) 462-8419.

Director Fogarty touched upon the major points within the Temporary Caregiver Insurance Program (TCI). The program is now administered by the Temporary Disability Insurance (TDI) division of DLT.

TCI provides up to four weeks of benefits during a 52-week period (“Benefit Year”) in order to: care for a seriously ill family member, (or child, spouse, domestic partner, parent, parent-in-law, grandparent, bond with a child, newborn child, adopted)

Bond with a child (newborn child, adopted child or foster child)

Some of the TCI eligibility requirements are that individuals must be out of work for seven consecutive days. The monetary eligibility is calculated on taxable wages earned in the “base period.” Also, the “base period” is first four of last five completed calendar quarters before the quarter in which the claim is filed. The caregiver TCI claims require medical evidence of serious medical illness while bonding TCI claims require proof of child/parent relationship.

The program is funded through employee contributions only. There are no general funds or employer taxes are used. TCI benefits are not taxed and subject to taxes with 1099-G forms mailed to claimant at calendar year end noting benefits collected. Some of the outreach efforts to educate the public about the TCI program are informational flyer direct to employers, newspapers highlighting the TCI program, the DLT website, and targeted paid advertising.

IV. Legislative Update Sen. Joshua Miller - Mark Hayward

Mr. Hayward discussed the SBAC legislative meeting held on Tuesday, January 14th. Members looked at workforce training issues including the need to enhance current apprenticeship training. Mr. Hayward mentioned the robust debate about efforts by the Worcester Tech Academy and looking more closely at career technical education in

Rhode Island. It was suggested to perhaps work toward redesigning the Rhode Island program with greater integration of organized labor and non-union labor encouraging training across the board.

The regulatory conversation honed on several priorities that will guide the 2014 regulatory efforts including: support the establishment of a statewide electronic building permit system, holiday flexibility, encourage the concept of the Office of the Repealer, encourage legislation to repeal the expansion of TDI, and join 18 other states that prohibit project labor agreements.

Mr. Hayward provided an update on the relocation of the Small Business Development Center (SBDC) from Johnson and Wales University to the University of Rhode Island. The two leads for SBDC related questions going forward will be Jim Petell and Deedee Chatham.

The tax conversation touched upon the previously discussed New York initiative where legislators are provided with a one-page, nine questions narrative of an economic impact statement attached to each piece of legislation. Some of the specific questions envisioned would be: does the legislation increase or decrease jobs, regulatory burden, cost to employers, cost to taxpayers and what are the benefits of passing this legislation. The members continue to be concerned that Rhode Island is becoming an outlier with higher taxes than neighboring states (MA and CT) and would like to see the corporate tax rate decreased to 7 percent.

Robert Kalakowski, the Senate's Senior Policy Analyst spoke on behalf of Senator Miller about the senate's recently announced legislative package the "Rhode to Work." Some of the key concepts discussed were freeing up 1.2 million in job training programs; expand internships and apprenticeships; creating incentives to begin a "disruptive new career and technical education programs" fitting the needs of the modern workforce; and eliminating roadblocks to attaining high-school diploma equivalency by reducing the test costs.

V. Next steps

Lieutenant Governor Roberts

The Subcommittees will convene based on the legislative priorities from the SBA Economic Summit and the Rhode to Work.

VI. Announcements/New Business/Adjourn

The Providence Chamber of Commerce will hold its legislative lunch on February 12 where leaders from both chambers will focus on key legislative issues facing the state's business community. The next meeting will take place on Tuesday, May 6th at the RI Commerce Corporation. The remaining meetings will take place in September 16th and December 2nd at 8:30 am at the RI Commerce Corporation.

The meeting was adjourned at 10:00 a.m.